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HARRISBURG, PA

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MARY E. D'ANDREA, CLERK
Per SP
Deputy Clerk

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

VINCENZO MAZZAMUTO,
Plaintiff,

CIVIL ACTION - LAW

v.

NO. 1:CV-01-1157

UNUM PROVIDENT CORPORATION;
PAUL REVERE LIFE INSURANCE
COMPANY; and NEW YORK LIFE
INSURANCE COMPANY

JUDGE CONNER

Defendants

JURY TRIAL DEMANDED

AFFIDAVIT OF PLAINTIFF'S COUNSEL,
RICHARD C. ANGINO

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF DAUPHIN :
: S.S.

I, Richard C. Angino, depose and say that:

1. On December 15, 2002, there appeared an article (**Exhibit A**) in the business section of the Wall Street Journal entitled "Injured, ill in waiting game with insurer."
2. There is specific reference in the article to the fact that there are 2,500 policyholder lawsuits filed between January 1997 and August of 2002:

Most of suits against UnumProvident revolve around expensive long-term disability policies sold to affluent doctors, lawyers and small business owners during the 1980s and early 1990s. (emphasis supplied)

* * *

A confidential 1994 company memo produced in one of the court cases said that these policies were "poorly underwritten and underpriced."

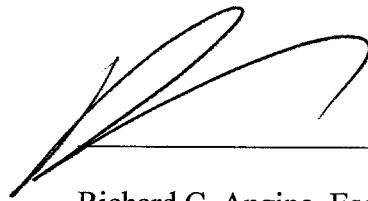
* * *

Provident's concerns about its disability losses coincided with the November 1993 hiring of a former South Carolina Banker, J. Harold Chandler, to revive the company.

Chandler engineered a turn-around that has produced \$1.4 billion in profits since 1999. While recovering, the company became an even bigger force in disability insurance by buying two of its major rivals, Paul Revere and Unum Corp.

For his efforts, Chandler collected \$43.9 million in salary, bonuses and gains from exercising stock options from 1998 through 2001, according to Securities and Exchange Commission documents.

3. This article was supplied to Plaintiff's counsel by Plaintiff's "bad faith" expert who intends, if permitted by Your Court, to reference UnumProvident's history as developed from Court documents in other cases, as well as testimony and evidence that will be submitted at trial in this case.



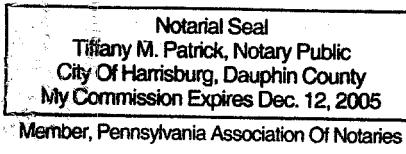
Richard C. Angino, Esquire

Sworn to and subscribed
before me this 23rd day of
December, 2002



Tiffany M. Patrick
Notary Public

My Commission Expires:



Battling for benefits



Joan Hangarter stands with her daughter and son, Elana and Anton Matulic, in Novato, Calif. Hangarter is a former chiropractor who won a \$7.67 million judgment against UnumProvident, which cut off her disability benefits in 1999.

Injured, ill in waiting game with insurer

BY MICHAEL LIEDTKE
Associated Press

SAN FRANCISCO—When the nation's largest disability insurer set out in 1994 to cut its losses from expensive long-term claims, it created a "Hungry Vulture" award to honor its most relentless employees.

The award, handed out by the company that became UnumProvident Corp., bore a ruthless motto: "Patience, my foot ... I'm gonna kill something." The insurer scrapped the Hungry Vulture several years ago, but hundreds of unhappy policyholders allege the Chattanooga, Tenn.-based company still puts profits before the welfare of seriously ill and badly injured people.

The complaints come from people like Loretta Hale, a once-successful San Francisco Bay area real estate broker who has

been fighting to collect her disability benefits for the past 5 1/2 years while dying of cancer.

A Contra Costa Superior Court jury returned a \$1.5 million fraud verdict against UnumProvident in July 2000, but the company is pursuing an appeal that may outlive Hale.

"It's a strange feeling knowing someone wants you to die because of money," said Hale, 49.

UnumProvident dismisses most of allegations as the sour grapes of a relatively few duplicitous and uncooperative policyholders. The company maintains that customer complaints have been overblown by opportunistic lawyers and sensational media accounts, including stories on CBS' "60 Minutes" and "Dateline NBC." "We are 100 percent proud of our customer care organiza-

tion," said Thomas White, the company's vice president of corporate relations.

However, a federal judge in San Francisco last month concluded that the company had engaged in a wide range of shady activity to avoid paying legitimate disability claims. U.S. Magistrate Judge James Larson criticized UnumProvident's business practices as he upheld a jury's \$7.67 million penalty for mistreating former Berkeley chiropractor Joan Hangarter, and ordered the company to "obey the law." Hangarter, 53, said UnumProvident left her bankrupt and suicidal after terminating her \$8,150 monthly benefit for joint and muscle injuries that prompted her to stop treating her chiropractic patients in 1997.

UnumProvident and Hangarter have been

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SUNDAY BUSINESS

ofit International Labor Rights Ind, "would risk a potentially serious adverse impact on significant allegations related directly to the ongoing struggle against terrorism," the administration argued.

A lawyer for Exxon Mobil says one connected to the company participated in the alleged abuses was aware of them. The judge's decision on whether to dismiss the suit is pending. Indonesia wasn't named as a defendant in the suit. A spokesman for the Indonesian embassy in Washington says the country's security forces respect human rights but otherwise declines to comment.

Motley asserts that his suit has firm legal grounds. In the mid-1990s, Congress on two occasions expanded the rights of private citizens to sue those who aid international terrorism. The idea behind such provisions is to allow citizens to act as "private attorneys general," when the government itself can't or won't act aggressively enough. (The same concept underlies the right citizens have to sue over certain antitrust, securities and environmental violations.)

In June, the Seventh U.S. Circuit Court of Appeals in Chicago, interpreting the same laws invoked by the Motley suit, allowed the parents of an American teenager gunned down in Israel by two Palestinians in 1996 to sue two Islamic charities in the U.S. suspected of funding Hamas, the Palestinian terrorist group implicated in the killing. The only way to imperil the flow of money and discourage the financing of terrorist acts is to impose liability on those who knowingly and intentionally supply the funds to the persons who commit violent acts," the court ruled.

Motley got into the case in late 2001 when a mutual friend put him in touch with the parents of 38-year-old Tom Burnett Jr., one of the passengers on United Flight 93 thought to have fought with hijackers before the plane crashed near Shanksville, Pa.

Motley also had lost a grown son, Mark, who two years ago died at the age of 28, after surgery to help control epileptic seizures. Unsure at first whether such a suit was possible, Motley asked a law partner to do some research. Then he took the case. The Ness Motley firm, with 58 lawyers and 400 staff members, first made its mark nationally in the 1980s, by grouping together the claims of thousands of asbestos plaintiffs. These cases translated

it hasn't done.

Motley minions are scouring evidence around the world. In Germany, he has obtained court permission to intervene in the criminal trial of Mounir el-Motassadeq, a 28-year-old student charged with aiding al-Qaida's Hamburg cell. The cell included Mohamed Atta, the suspected leader of the Sept. 11 hijackers, and it provided logistical and financial support to the hijackers. Germany allows crime victims to examine records in criminal cases and even to question witnesses. Late last month, Motley received access to more than 90 binders of German investigative files.

In Spain, Motley says one of the leads that most fascinates him concerns Mohamed Galeb Kaljae Zouaydi, a 41-year-old Syrian-born businessman with alleged links to members of the Saudi royal family and suspected planners of the Sept. 11 attack. Zouaydi is awaiting trial in Madrid on charges of tax fraud and terrorist involvement. Between 1996 and 2000, he worked in Jeddah as an accountant for Prince Abdullah al Faisal, a former Saudi minister of health, according to the Spanish documents.

Spanish prosecutors allege that while working for Prince Faisal, Zouaydi funneled money from other wealthy Saudis through several dummy companies he set up in Spain to two al-Qaida suspects now under arrest in Germany.

Motley says he also has reviewed Spanish documents showing al Turki was a shareholder in a business in Madrid that Zouaydi helped start with another man accused by Spanish authorities of being an al-Qaida financier. When Spanish police in April searched the Madrid home of the co-founder of the business, they say they found videotapes of the man inside the World Trade Center and exterior shots of the upper floors he is believed to have taken during a visit in 1997. The evidence, while circumstantial, would impress an American jury, Motley says.

"These are not the ravings of a redneck from South Carolina," he said. "We've got proof."

Policyholders play waiting game

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fighting over the severity of her injuries since 1999.

The legal victories have done Hangarter and her two children little good so far.

A self-described "welfare millionaire," Hangarter commutes to her \$12-per-hour bookkeeping job in a well-worn 1981 Volvo. Before she got hurt, Hangarter charged \$350 per hour at her chiropractic practice, helping to lift her income to \$110,000 in her best years.

"What (UnumProvident) is doing is fraud," Hangarter said. "The management deserves to be thrown in jail." Much of the judge's stinging 62-page rebuke in Hangarter's case echoes the allegations of misconduct made against UnumProvident in lawsuits that have flooded the nation's courts over the last five years.

In a September court filing, UnumProvident listed more than 2,500 policyholder lawsuits, accusing the company of fraud or breach of contract. The suits were filed between January 1997 and August of this year.

The biggest judgment against UnumProvident so far occurred last year when a jury in a Florida federal court awarded \$36.7 million to John Tedesco. The former ophthalmologist alleged a UnumProvident-owned disability carrier refused to pay his benefits after Tedesco was diagnosed with Parkinson's disease and a herniated disk.

A federal lawsuit filed last month in New York seeks to represent tens of thousands more UnumProvident policyholders as part of a class-action complaint against the company. Insurance regulators in California, Georgia and Tennessee also say they will investigate policyholder complaints.

UnumProvident says the complaints represent a small fraction of the roughly 400,000 disability claims it processes annually. The company says it rejects less than 2 percent of those claims.

"Disability is UnumProvident's primary business, so integrity in claims paying and helping people return to work is essential to the company's long-term economic success," the company said.

Most of suits against UnumProvident revolve around expensive long-term disability policies sold to affluent doctors, lawyers and small business owners during the 1980s and early 1990s. Although expensive, the policies proved popular because they couldn't be canceled, and the premiums couldn't be raised, assuring injured or ill workers income comparable to what they made before a career-debilitating setback.

A confidential 1994 company memo produced in one of the court cases said that these policies "were poorly underwritten and underpriced." The company, then known as Provident, sold more than 600,000 of these "own-occupation" policies and consistently made money on them until the early 1990s, the memo said.

With its losses mounting in 1993, the company set aside \$275 million to cover future claims on the noncancelable policies.

Provident's concerns about its disability losses coincided with the November 1993 hiring of a former South Carolina banker, J. Harold Chandler, to revive the company.

Chandler engineered a turnaround that has produced \$1.4 billion in profits since 1999. While recovering, the company became an even bigger force in disability insurance by buying two of its major rivals, Paul Revere and Unum Corp.

For his efforts, Chandler collected \$43.9 million in salary, bonuses and gains from exercising stock options from 1998 through 2001, according to Securities and Exchange Commission documents.

With her cancer in remission, Hale is determined to live long enough to see UnumProvident punished. "Sometimes, I think this has been more stressful than cancer," she said.

COMING THIS WEEK

MONDAY 12/16

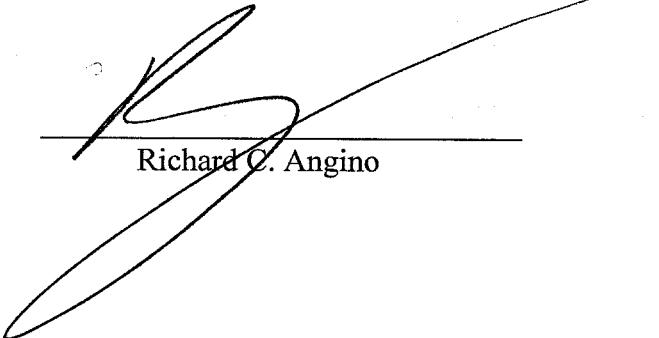
Hand Washing Still

CERTIFICATE OF SERVICE

I, Richard C. Angino, Esquire, hereby certify that a true and correct copy of the foregoing **AFFIDAVIT OF PLAINTIFF'S COUNSEL, RICHARD C. ANGINO** was served by United States first-class mail, postage prepaid, upon the following:

E. Thomas Henefer, Esquire
Stevens & Lee
111 North Sixth Street
P. O. Box 679
Reading, PA 19603-0679

Counsel for Paul Revere Life Insurance Company and New York Life Insurance Company



Richard C. Angino

Dated: 12/23/02